



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY

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John G. Morgan
Comptroller

February 26, 2003

MEMORANDUM

TO: The Honorable Phil Bredesen
Governor

The Honorable Douglas Henry, Chairman
Senate Finance, Ways and Means Committee

The Honorable Tommy Head, Chairman
House Finance, Ways and Means Committee

FROM: Steve Adams
State Treasurer

Riley Darden
Secretary of State

M.D. Goetz, Jr.
Commissioner of Finance & Administration

John Morgan
Comptroller of the Treasury

SUBJECT: Revenue Estimates

The State Funding Board met on December 11 and 13, 2002 to hear presentations and engage in discussions about the State's near-term economic outlook and estimates of State tax revenue collections for the fiscal years 2002-03 and 2003-2004. Presenters included Mr. Jim Davenport of the Fiscal Review Committee, Dr. Albert DePrince of Middle Tennessee State University, Dr. William Fox of the University of Tennessee, Dr. Richard Evans and Dr. Jeff Wallace of the University of Memphis. In addition, Mr. Reid Linn of the Department of Revenue provided materials which were distributed to members. A spreadsheet that summarizes the State tax revenue estimates as presented is

attached to this memorandum (Attachment 1 for FY 2002-03 and Attachment 2 for FY 2003-04).

The Board is charged with responsibility to develop consensus ranges of revenue growth. In doing so, the Board evaluates and interprets economic data and revenue forecasts supplied by various economists as well as persons acquainted with the Tennessee revenue system. Since this is a revenue estimation process and not a budgeting process, the Board does not take into consideration the State's fiscal situation when developing its consensus ranges of revenue growth. Fiscal considerations properly belong with those who set the State's revenue estimates – the Administration that recommends appropriation levels based upon its assessment of revenue growth and the General Assembly that adopts a de facto revenue estimate through its final action on the appropriations bill. The Board wishes users of these consensus ranges to take notice that these ranges are not discounted in an attempt to add conservatism given the State's current fiscal condition.

With regard to the economy, the consensus was that the economy is moving into a recovery phase, with the economy in 2003 likely to be better than 2001 or 2002. Gross domestic production rebounded in the 3rd quarter of 2002, with predictions of continuing improvements into the 4th quarter. Threats to a continued recovery include a potential war with Iraq, an outlook for weak corporate profits in the near term, low levels of consumer confidence, and weak employment growth. On the positive side, stronger capital spending is being forecast, inflation remains in check, productivity remains strong, and consumer confidence while low appeared to be improving.

In terms of state revenue forecasts, all presenters believed the state would experience revenue growth during both FY 2002-03 and 2003-04. For FY 2002-03, estimates for total revenue growth range from 11.80% to 13.93%. The Board noted that these growth rates include the impact of the \$933 million revenue legislation enacted during the 2002 legislative session. The dollar impact of these growth rates would range from an under collection of \$120.6 million to an over collection of 38.4 million. For FY 2003-04, estimates for total revenue growth range from 2.61% to 4.30%.

Within the presentations, it was noted that some volatility exists in franchise and excise tax collections and that knowledge of collections received in December 2002 and January 2003 would permit an increased level of certainty in estimating these taxes. The Board noted that having knowledge of actual sales tax performance during December 2002 would also be helpful. Given that the incoming Administration will have additional time to develop and present its budget recommendations, the Board concluded that it would be prudent to defer adopting revenue growth ranges until early February 2003 to permit the Board to consider actual revenue performance during the months of December and January. In accordance with this, the Board met on February 10, 2003 to receive updated information and finalize its deliberations on ranges for tax revenue growth rates. A spreadsheet that summarizes the State tax revenue estimates as presented during this

meeting is attached to this memorandum (Attachment 3 for FY 2002-03 and Attachment 4 for FY 2003-04).

Based upon the December and February presentations and resulting Board discussions, the following consensus revenue estimates for the current and next fiscal years were developed. These estimates are expressed in ranges of growth rates in State tax revenue collections. The following table summarizes these estimates:

	<u>FY 2002-03</u>		<u>FY 2003-04</u>	
	Low	High	Low	High
Total State Taxes	12.45 %	12.95 %	2.50 %	3.00 %
General Fund Only	15.40 %	15.90 %	2.60 %	3.10 %

The Board believes that an estimate of revenue growth falling within these ranges should be considered reasonable. As in past years, the Board intends to revisit these estimates prior to the General Assembly's final budget deliberations. Each of you will be advised of any revisions made by the Board at that time.

We will be happy to discuss these matters with you further at your convenience.

Attachment

cc. The Honorable John S. Wilder
The Honorable Jimmy Naifeh

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2002-2003**

(Accrual - Basis Estimates)

Attachment 1

2002-2003													
DEPARTMENT OF REVENUE	2001-2002 ACTUAL	7/1/2002 BUDGETED	% CHANGE OVER 01-02	12/11/2002 ESTIMATE	% CHANGE OVER 01-02	12/11/2002 ESTIMATE	% CHANGE OVER 01-02	12/11/2002 ESTIMATE	% CHANGE OVER 01-02	12/11/2002 ESTIMATE	% CHANGE OVER 01-02	12/11/2002 ESTIMATE	% CHANGE OVER 01-02
SOURCE OF REVENUE	COLLECTIONS	ESTIMATE(1)	ACTUAL	DR. FOX	ACTUAL	FISCAL REVIEW	ACTUAL	DR. DePRINCE	ACTUAL	DR. EVANS	ACTUAL	REVENUE DEPT.	ACTUAL
Sales and use Tax	\$4,645,724,300	\$5,426,300,000	16.80%	\$5,390,000,000	16.02%	\$5,406,966,000	16.39%	\$5,377,600,000	15.75%	\$5,341,000,000	14.97%	\$5,432,000,000	16.92%
Gasoline Tax	576,912,000	578,500,000	0.28%	582,700,000	1.00%	594,219,000	3.00%	579,400,000	0.43%	585,000,000	1.40%	582,700,000	1.00%
Motor Fuel Tax	151,188,900	154,200,000	1.99%	157,200,000	3.98%	159,703,000	5.63%	157,400,000	4.11%	185,000,000	22.36%	159,500,000	5.50%
Gasoline Inspection Tax	61,624,300	62,800,000 *	1.91%	62,900,000	2.07%	61,984,000	0.58%	62,700,000 *	1.75%	62,000,000	0.61%	61,800,000	0.29%
Motor Vehicle Registration Tax	219,607,200	234,300,000	6.69%	236,000,000	7.46%	233,198,000	6.19%	231,200,000	5.28%	230,000,000	4.73%	218,200,000	-0.64%
Income Tax	141,710,200	151,800,000	7.12%	140,000,000	-1.21%	145,111,000	2.40%	150,300,000	6.06%	148,000,000	4.44%	127,700,000	-9.89%
Privilege Tax - Less Earmarked Portion	177,389,600	208,000,000	17.26%	208,000,000 (2)	17.26%	210,673,000	18.76%	203,500,000 (2)	14.72%	192,000,000 (2)	8.24%	211,400,000 (2)	19.17%
Gross Receipts Tax - TVA	200,296,900	204,300,000	2.00%	198,600,000	-0.85%	198,775,000	-0.76%	204,300,000 **	2.00%	204,300,000 **	2.00%	204,700,000	2.20%
Gross Receipts Tax - Other	24,034,100	24,000,000	-0.14%	24,500,000	1.94%	19,605,000	-18.43%	26,500,000	10.28%	23,700,000	-1.39%	20,100,000	-16.37%
Beer Tax	15,347,400	17,800,000 *	15.98%	17,500,000	14.03%	17,142,000	11.69%	17,800,000 *	15.98%	16,000,000	4.25%	17,800,000	15.98%
Alcoholic Beverage Tax	30,032,300	34,300,000 *	14.21%	34,100,000	13.54%	33,552,000	11.72%	34,200,000 *	13.88%	32,000,000	6.55%	34,900,000	16.21%
Franchise & Excise Taxes	966,300,600	1,017,400,000	5.29%	1,000,000,000	3.49%	1,042,400,000	7.88%	1,013,000,000	4.83%	1,070,000,000	10.73%	1,064,200,000	10.13%
Inheritance and Estate Tax	104,480,700	92,100,000 *	-11.85%	95,000,000	-9.07%	98,800,000	-5.44%	91,900,000 *	-12.04%	105,000,000	0.50%	110,800,000	6.05%
Tobacco Tax	85,596,100	116,100,000 *	35.64%	117,300,000	37.04%	117,381,000	37.13%	115,900,000 *	35.40%	84,000,000	-1.86%	115,000,000	34.35%
Motor Vehicle Title Fees	10,646,000	10,900,000 *	2.39%	11,000,000	3.33%	11,019,000	3.50%	10,900,000 *	2.39%	11,000,000	3.33%	10,900,000	2.39%
Mixed Drink Tax	35,860,800	37,000,000 *	3.18%	37,500,000	4.57%	37,403,000	4.30%	36,900,000 *	2.90%	37,000,000	3.18%	37,800,000	5.41%
Business Tax	21,115,000	96,400,000 *	356.55%	91,400,000	332.87%	96,400,000	356.55%	96,200,000 *	355.60%	23,000,000	8.93%	95,100,000	350.39%
Severance Tax	1,079,600	1,100,000 *	1.89%	1,100,000	1.89%	1,100,000	1.89%	1,100,000 *	1.89%	1,100,000	1.89%	1,100,000	1.89%
Coin Operated Amusement Tax	31,400	3,400,000 *	NA	3,400,000	NA	3,400,000	NA	3,400,000 *	NA	20,000	NA	3,400,000	NA
TOTAL DEPARTMENT OF REVENUE	\$7,468,977,400	\$8,470,700,000	13.41%	\$8,408,200,000	12.57%	\$8,488,831,000	13.65%	\$8,414,200,000	12.66%	\$8,350,120,000	11.80%	\$8,509,100,000	13.93%
GENERAL FUND ONLY (3)	\$5,986,879,800	\$6,973,600,000	16.48%	\$6,909,100,000	15.40%	\$6,977,431,000	16.55%	\$6,916,400,000	15.53%	\$6,824,220,000	13.99%	\$7,022,600,000	17.30%
Budgeted Est. Compared to New Est. - Total				-\$62,500,000		\$18,131,000		-\$56,500,000		-\$120,580,000		\$38,400,000	
Budgeted Est. Compared to New Est. - Gen. Fund				-\$64,500,000		\$3,831,000		-\$57,200,000		-\$149,380,000		\$49,000,000	
SELECTED TAXES	ACTUAL	BUDGETED	%	DR. FOX	%	FISCAL REVIEW	%	DR. DePRINCE	%	DR. EVANS	%	REVENUE DEPT.	%
SALES AND USE TAX	\$4,645,724,300	\$5,426,300,000	16.80%	\$5,390,000,000	16.02%	\$5,406,966,000	16.39%	\$5,377,600,000	15.75%	\$5,341,000,000	14.97%	\$5,432,000,000	16.92%
FRANCHISE AND EXCISE TAXES	966,300,600	1,017,400,000	5.29%	1,000,000,000	3.49%	1,042,400,000	7.88%	1,013,000,000	4.83%	1,070,000,000	10.73%	1,064,200,000	10.13%
INCOME TAX	141,710,200	151,800,000	7.12%	140,000,000	-1.21%	145,111,000	2.40%	150,300,000	6.06%	148,000,000	4.44%	127,700,000	-9.89%
ALL OTHER TAXES	1,715,242,300	1,875,200,000	9.33%	1,878,200,000	9.50%	1,894,354,000	10.44%	1,873,300,000	9.21%	1,791,120,000	4.42%	1,885,200,000	9.91%

(1) The Budgeted Estimate is the May 2002 Mid-Point estimate plus \$933.2 million in new tax revenues raised by 2002 Public Chapter 856.

(2) Privilege Tax estimates are reduced by \$32,000,000 in 2002-2003 for the earmarked portion of the tax.

(3) F&A calculated the General Fund distribution for all presenters.

* F&A distributed taxes for Dr. DePrince based on ratios for budgeted collections for 2002-2003.

** F&A distributed the Gross Receipts Taxes for Dr. DePrince and Dr. Evans based on anticipated TVA collections in 2002-2003.

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2003-2004**

(Accrual - Basis Estimates)

Attachment 2

DEPARTMENT OF REVENUE	12/11/2002 ESTIMATE	% CHANGE OVER 02-03	12/11/2002 ESTIMATE	% CHANGE OVER 02-03	12/11/2002 ESTIMATE	% CHANGE OVER 02-03	12/11/2002 ESTIMATE	% CHANGE OVER 02-03	12/11/2002 ESTIMATE	% CHANGE OVER 02-03
SOURCE OF REVENUE	DR. FOX	ESTIMATE	FISCAL REVIEW	ESTIMATE	DR. DePRINCE	ESTIMATE	DR. EVANS	ESTIMATE	REVENUE DEPT.	ESTIMATE
Sales and use Tax	\$ 5,578,600,000	3.50%	\$ 5,597,798,000	3.53%	\$ 5,587,600,000	3.91%	\$ 5,553,000,000	3.97%	\$ 5,603,100,000	3.15%
Gasoline Tax	588,500,000	1.00%	600,161,000	1.00%	585,900,000	1.12%	590,000,000	0.85%	588,500,000	1.00%
Motor Fuel Tax	165,100,000	5.03%	162,897,000	2.00%	159,800,000	1.52%	197,000,000	6.49%	162,600,000	1.94%
Gasoline Inspection Tax	64,700,000	2.86%	63,224,000	2.00%	64,700,000 *	3.19%	64,000,000	3.23%	62,100,000	0.49%
Motor Vehicle Registration Tax	245,400,000	3.98%	242,907,000	4.16%	231,300,000	0.04%	239,000,000	3.91%	227,400,000	4.22%
Income Tax	145,600,000	4.00%	150,915,000	4.00%	156,900,000	4.39%	152,000,000	2.70%	137,600,000	7.75%
Privilege Tax - Less Earmarked Portion	217,600,000 (1)	4.62%	218,047,000	3.50%	207,500,000 (1)	1.97%	209,000,000 (1)	8.85%	211,700,000 (1)	0.14%
Gross Receipts Tax - TVA	204,600,000	3.02%	202,751,000	2.00%	204,300,000 **	0.00%	204,300,000 **	0.00%	202,600,000	-1.03%
Gross Receipts Tax - Other	26,200,000	6.94%	20,193,000	3.00%	33,000,000	24.53%	29,700,000	25.32%	22,000,000	9.45%
Beer Tax	17,800,000	1.71%	17,378,000	1.38%	18,400,000 *	3.37%	17,000,000	6.25%	17,600,000	-1.12%
Alcoholic Beverage Tax	34,800,000	2.05%	34,343,000	2.36%	35,400,000 *	3.51%	32,000,000	0.00%	35,200,000	0.86%
Franchise & Excise Taxes	1,010,000,000	1.00%	1,047,098,000	0.45%	1,064,600,000	5.09%	1,147,000,000	7.20%	1,078,900,000	1.38%
Inheritance and Estate Tax	95,000,000	0.00%	100,776,000	2.00%	94,900,000 *	3.26%	115,000,000	9.52%	113,900,000	2.80%
Tobacco Tax	118,400,000	0.94%	118,838,000	1.24%	119,700,000 *	3.28%	84,000,000	0.00%	119,700,000	4.09%
Motor Vehicle Title Fees	11,100,000	0.91%	11,239,000	2.00%	11,200,000 *	2.75%	12,000,000	9.09%	10,900,000	0.00%
Mixed Drink Tax	39,400,000	5.07%	38,525,000	3.00%	38,100,000 *	3.25%	38,000,000	2.70%	38,300,000	1.32%
Business Tax	92,000,000	0.66%	98,328,000	2.00%	99,400,000 *	3.33%	25,000,000	8.70%	93,500,000	-1.68%
Severance Tax	1,100,000	0.00%	1,100,000	0.00%	1,100,000 *	0.00%	1,000,000	-9.09%	1,100,000	0.00%
Coin Operated Amusement Tax	3,500,000	2.94%	4,100,000	20.59%	3,500,000 *	2.94%	20,000	NA	4,100,000	20.59%
TOTAL DEPARTMENT OF REVENUE	\$ 8,659,400,000	2.99%	\$ 8,730,618,000	2.85%	\$ 8,717,300,000	3.60%	\$ 8,709,020,000	4.30%	\$ 8,730,800,000	2.61%
GENERAL FUND ONLY (2)	\$ 7,124,700,000	3.12%	\$ 7,189,318,000	3.04%	\$ 7,197,000,000	4.06%	\$ 7,146,820,000	4.73%	\$ 7,218,500,000	2.79%
Growth over FY 03 Budgeted Est. - Total	\$ 188,700,000		\$ 259,918,000		\$ 246,600,000		\$ 238,320,000		\$ 260,100,000	
Growth over FY 03 Budgeted Est. - Gen. Fund	\$ 151,100,000		\$ 215,718,000		\$ 223,400,000		\$ 173,220,000		\$ 244,900,000	
SELECTED TAXES	DR. FOX	%	FISCAL REVIEW	%	DR. DePRINCE	%	DR. EVANS	%	REVENUE DEPT.	%
SALES AND USE TAX	\$ 5,578,600,000	3.50%	\$ 5,597,798,000	3.53%	\$ 5,587,600,000	3.91%	\$ 5,553,000,000	3.97%	\$ 5,603,100,000	3.15%
FRANCHISE AND EXCISE TAXES	1,010,000,000	1.00%	1,047,098,000	0.45%	1,064,600,000	5.09%	1,147,000,000	7.20%	1,078,900,000	1.38%
INCOME TAX	145,600,000	4.00%	150,915,000	4.00%	156,900,000	4.39%	152,000,000	2.70%	137,600,000	7.75%
ALL OTHER TAXES	1,925,200,000	2.50%	1,934,807,000	2.14%	1,908,200,000	1.86%	1,857,020,000	3.68%	1,911,200,000	1.38%

(1) Privilege Tax estimates are reduced by \$32,000,000 in 2003-2004 for the earmarked portion of the tax.

(2) F&A calculated the General Fund distribution for all presenters.

* F&A distributed taxes for Dr. DePrince based on ratios for budgeted collections for 2002-2003.

** F&A distributed the Gross Receipts Taxes for Dr. DePrince and Dr. Evans based on anticipated TVA collections in 2002-2003.

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2002-2003**

(Accrual - Basis Estimates)

Attachment 3

2002-2003									
DEPARTMENT OF REVENUE	2001-2002	7/1/2002	% CHANGE	2/10/2003	% CHANGE	2/10/2003	% CHANGE	2/10/2003	% CHANGE
SOURCE OF REVENUE	ACTUAL	BUDGETED	OVER 01-02	ESTIMATE	OVER 01-02	ESTIMATE	OVER 01-02	ESTIMATE	OVER 01-02
	COLLECTIONS	ESTIMATE(1)	ACTUAL	DR. FOX	ACTUAL	FISCAL REVIEW	ACTUAL	REVENUE DEPT.	ACTUAL
Sales and use Tax	\$ 4,645,724,300	\$5,426,300,000	16.80%	\$5,390,000,000	16.02%	\$5,416,000,000	16.58%	\$5,398,300,000	16.20%
Gasoline Tax	576,912,000	578,500,000	0.28%	582,700,000	1.00%	594,219,000	3.00%	582,700,000	1.00%
Motor Fuel Tax	151,188,900	154,200,000	1.99%	157,200,000	3.98%	159,703,000	5.63%	159,500,000	5.50%
Gasoline Inspection Tax	61,624,300	62,800,000	1.91%	62,900,000	2.07%	61,984,000	0.58%	61,800,000	0.29%
Motor Vehicle Registration Tax	219,607,200	234,300,000	6.69%	236,000,000	7.46%	233,198,000	6.19%	216,600,000	-1.37%
Income Tax	141,710,200	151,800,000	7.12%	140,000,000	-1.21%	145,111,000	2.40%	125,200,000	-11.65%
Privilege Tax - Less Earmarked Portion	177,389,600	208,000,000	17.26%	208,000,000 (2)	17.26%	210,673,000	18.76%	207,700,000	17.09%
Gross Receipts Tax - TVA	200,296,900	204,300,000	2.00%	198,600,000	-0.85%	198,775,000	-0.76%	203,100,000	1.40%
Gross Receipts Tax - Other	24,034,100	24,000,000	-0.14%	24,500,000	1.94%	19,605,000	-18.43%	22,200,000	-7.63%
Beer Tax	15,347,400	17,800,000	15.98%	17,500,000	14.03%	17,142,000	11.69%	17,300,000	12.72%
Alcoholic Beverage Tax	30,032,300	34,300,000	14.21%	34,100,000	13.54%	33,552,000	11.72%	34,200,000	13.88%
Franchise & Excise Taxes	966,300,600	1,017,400,000	5.29%	1,000,000,000	3.49%	1,017,000,000	5.25%	1,036,700,000	7.29%
Inheritance and Estate Tax	104,480,700	92,100,000	-11.85%	95,000,000	-9.07%	98,800,000	-5.44%	118,800,000	13.71%
Tobacco Tax	85,596,100	116,100,000	35.64%	117,300,000	37.04%	117,381,000	37.13%	114,700,000	34.00%
Motor Vehicle Title Fees	10,646,000	10,900,000	2.39%	11,000,000	3.33%	11,019,000	3.50%	10,900,000	2.39%
Mixed Drink Tax	35,860,800	37,000,000	3.18%	37,500,000	4.57%	37,403,000	4.30%	38,000,000	5.97%
Business Tax	21,115,000	96,400,000	356.55%	91,400,000	332.87%	96,400,000	356.55%	95,200,000	350.86%
Severance Tax	1,079,600	1,100,000	1.89%	1,100,000	1.89%	1,100,000	1.89%	1,100,000	1.89%
Coin Operated Amusement Tax	31,400	3,400,000	NA	3,400,000	NA	3,400,000	NA	3,400,000	NA
TOTAL DEPARTMENT OF REVENUE	\$ 7,468,977,400	\$8,470,700,000	13.41%	\$8,408,200,000	12.57%	\$8,472,465,000	13.44%	\$8,447,400,000	13.10%
GENERAL FUND ONLY (3)	\$ 5,986,879,800	\$6,973,600,000	16.48%	\$6,909,100,000	15.40%	\$6,960,765,000	16.27%	\$6,965,000,000	16.34%
Budgeted Est. Compared to New Est. - Total				-\$62,500,000		\$1,765,000		-\$23,300,000	
Budgeted Est. Compared to New Est. - Gen. Fund				-\$64,500,000		-\$12,835,000		-\$8,600,000	
SELECTED TAXES	ACTUAL	BUDGETED	%	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%
SALES AND USE TAX	\$ 4,645,724,300	\$5,426,300,000	16.80%	\$5,390,000,000	16.02%	\$5,416,000,000	16.58%	\$5,398,300,000	16.20%
FRANCHISE AND EXCISE TAXES	966,300,600	1,017,400,000	5.29%	1,000,000,000	3.49%	1,017,000,000	5.25%	1,036,700,000	7.29%
INCOME TAX	141,710,200	151,800,000	7.12%	140,000,000	-1.21%	145,111,000	2.40%	125,200,000	-11.65%
ALL OTHER TAXES	1,715,242,300	1,875,200,000	9.33%	1,878,200,000	9.50%	1,894,354,000	10.44%	1,887,200,000	10.03%

(1) The Budgeted Estimate is the May 2002 Mid-Point estimate plus \$933.2 million in new tax revenues raised by 2002 Public Chapter 856.

(2) Privilege Tax estimates are reduced by \$32,000,000 in 2002-2003 for the earmarked portion of the tax.

(3) F&A calculated the General Fund distribution for all presenters.

F&A 02/08/2003

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2003-2004**

(Accrual - Basis Estimates)

Attachment 4

DEPARTMENT OF REVENUE	2/10/2003 ESTIMATE	% CHANGE OVER 02-03	2/10/2003 ESTIMATE	% CHANGE OVER 02-03	2/10/2003 ESTIMATE	% CHANGE OVER 02-03
SOURCE OF REVENUE	DR. FOX	ESTIMATE	FISCAL REVIEW	ESTIMATE	REVENUE DEPT.	ESTIMATE
Sales and use Tax	\$ 5,578,600,000	3.50%	\$ 5,605,560,000	3.50%	\$5,568,400,000	3.15%
Gasoline Tax	588,500,000	1.00%	600,161,000	1.00%	588,500,000	1.00%
Motor Fuel Tax	165,100,000	5.03%	162,897,000	2.00%	162,600,000	1.94%
Gasoline Inspection Tax	64,700,000	2.86%	63,224,000	2.00%	62,100,000	0.49%
Motor Vehicle Registration Tax	245,400,000	3.98%	242,907,000	4.16%	225,800,000	4.25%
Income Tax	145,600,000	4.00%	150,915,000	4.00%	134,900,000	7.75%
Privilege Tax - Less Earmarked Portion	217,600,000 (1)	4.62%	218,047,000	3.50%	207,900,000	0.10%
Gross Receipts Tax - TVA	204,600,000	3.02%	202,751,000	2.00%	202,800,000	-0.15%
Gross Receipts Tax - Other	26,200,000	6.94%	20,193,000	3.00%	22,100,000	-0.45%
Beer Tax	17,800,000	1.71%	17,378,000	1.38%	17,100,000	-1.16%
Alcoholic Beverage Tax	34,800,000	2.05%	34,343,000	2.36%	34,400,000	0.58%
Franchise & Excise Taxes	1,010,000,000	1.00%	1,027,000,000	0.98%	1,076,600,000	3.85%
Inheritance and Estate Tax	95,000,000	0.00%	100,776,000	2.00%	122,200,000	2.86%
Tobacco Tax	118,400,000	0.94%	118,838,000	1.24%	119,400,000	4.10%
Motor Vehicle Title Fees	11,100,000	0.91%	11,239,000	2.00%	10,900,000	0.00%
Mixed Drink Tax	39,400,000	5.07%	38,525,000	3.00%	38,400,000	1.05%
Business Tax	92,000,000	0.66%	98,328,000	2.00%	93,600,000	-1.68%
Severance Tax	1,100,000	0.00%	1,100,000	0.00%	1,100,000	0.00%
Coin Operated Amusement Tax	3,500,000	2.94%	4,100,000	20.59%	4,100,000	20.59%
TOTAL DEPARTMENT OF REVENUE	\$ 8,659,400,000	2.99%	\$ 8,718,282,000	2.90%	\$8,692,900,000	2.91%
GENERAL FUND ONLY (2)	\$ 7,124,700,000	3.12%	\$ 7,176,682,000	3.10%	\$7,184,300,000	3.15%
Growth over FY 03 Budgeted Est. - Total	\$188,700,000		\$247,582,000		\$222,200,000	
Growth over FY 03 Budgeted Est. - Gen. Fund	\$151,100,000		\$203,082,000		\$210,700,000	
SELECTED TAXES	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%
SALES AND USE TAX	\$ 5,578,600,000	3.50%	\$ 5,605,560,000	3.50%	\$5,568,400,000	3.15%
FRANCHISE AND EXCISE TAXES	1,010,000,000	1.00%	1,027,000,000	0.98%	1,076,600,000	3.85%
INCOME TAX	145,600,000	4.00%	150,915,000	4.00%	134,900,000	7.75%
ALL OTHER TAXES	1,925,200,000	2.50%	1,934,807,000	2.14%	1,913,000,000	1.37%

(1) Privilege Tax estimates are reduced by \$32,000,000 in 2003-2004 for the earmarked portion of the tax.

(2) F&A calculated the General Fund distribution for all presenters.

F&A 02/08/2003